

FARMMI, INC.  
ROOM 1803, 18F, DIKAI GINZA, 29 JIEFANG EAST ROAD, JIANGGAN DISTRICT  
HANGZHOU CITY, ZHEJIANG PROVINCE 310016  
PEOPLE'S REPUBLIC OF CHINA  
PROXY STATEMENT AND NOTICE OF  
EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

**TO THE SHAREHOLDERS OF FARMMI, INC.:**

You are cordially invited to attend an extraordinary general meeting (the “**Extraordinary General Meeting**”) of the shareholders of FARMMI, INC., a Cayman Islands company (the “**Company**,” “**Farmmi**”, “**we**,” “**us**” or “**our**”), which will be held on December 20, 2021 at 10:00 A.M., Beijing time (9:00 P.M. ET on December 19, 2021), at Room 1803, 18F, Dikai Ginza, 29 Jiefang East Road, Jianggan District, Hangzhou City, Zhejiang Province 310016, People’s Republic of China.

At the Extraordinary General Meeting, our shareholders will be asked to consider and vote on two (2) proposals:

- (1) **Increase of the Authorized Share Capital Proposal:** a proposal to approve an Ordinary Resolution that the authorized share capital of the Company be increased from US\$600,000 divided into 600,000,000 ordinary shares of par value \$0.001 to US\$6,000,000 divided into 6,000,000,000 ordinary shares of par value \$0.001 by the creation of 5,400,000,000 new ordinary shares of par value \$0.001.
- (2) **Staggered Board Proposal:** a proposal to approve a Special Resolution that the Board of Directors be divided into three (3) classes as equal number as practicable, each serving staggered terms of three (3) years each.
- (2) **Amendment of Memorandum and Articles of Association Proposal:** a proposal to approve a Special Resolution that the Second Amended and Restated Memorandum of Association (the “Second M&AA”) annexed hereto as Annex A which incorporate the Increase of the Authorized Share Capital Proposal and the Staggered Board Proposal, be and is hereby approved and adopted in substitution for the existing Second M&AA of the Company.

We are providing this proxy statement and accompanying proxy card to our shareholders in connection with the solicitation of proxies to be voted at the Extraordinary General Meeting and at any adjournments or postponements of the Extraordinary General Meeting. **Whether or not you plan to attend the Extraordinary General Meeting, we urge you to read this proxy statement carefully.**

Whether or not you plan to attend an Extraordinary General Meeting, please take the time to vote by completing and mailing the enclosed proxy card in the enclosed envelope. **YOUR VOTE IS VERY IMPORTANT.**

Thank you for your participation. We look forward to your continued support.

Sincerely,

November 15, 2021

/s/ Yefang Zhang

Name: Yefang Zhang

Title: Chairwoman of the Board

**FARMMI, INC.**  
**ROOM 1803, 18F, DIKAI GINZA, 29 JIEFANG EAST ROAD, JIANGGAN DISTRICT**  
**HANGZHOU CITY, ZHEJIANG PROVINCE 310016**  
**PEOPLE'S REPUBLIC OF CHINA**

**NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON DECEMBER 20, 2021**  
**YOUR VOTE IS VERY IMPORTANT**  
**PLEASE VOTE YOUR SHARES PROMPTLY**

NOTICE IS HEREBY GIVEN, that you are cordially invited to attend an extraordinary general meeting (the “**Extraordinary General Meeting**”) of shareholders of FARMMI, INC. (the “**Company**,” “**Farmmi**”, “**we**,” “**us**” or “**our**”), to be held on December 20, 2021 at 10:00 A.M., Beijing time (9:00 P.M. ET on December 19, 2021), at Room 1803, 18F, Dikai Ginza, 29 Jiefang East Road, Jianggan District, Hangzhou City, Zhejiang Province 310016, People’s Republic of China, in order to consider and vote upon the below proposals.

After careful consideration, the Company’s board of directors has determined the transactions are fair to and in the best interests of the Company and its shareholders and unanimously recommends that you vote or give instruction to vote:

(1) “**FOR**” the **Increase of the Authorized Share Capital Proposal**: a proposal to approve an Ordinary Resolution that the authorized share capital of the Company be increased from US\$600,000 divided into 600,000,000 ordinary shares of par value \$0.001 to US\$6,000,000 divided into 6,000,000,000 ordinary shares of par value \$0.001 by the creation of 5,400,000,000 new ordinary shares of par value \$0.001.

(2) “**FOR**” the **Staggered Board Proposal**: a proposal to approve a Special Resolution that the Board of Directors be divided into three (3) classes as equal number as practicable, each serving staggered terms of three (3) years each.

(3) “**FOR**” the **Amendment of Memorandum and Articles of Association Proposal**: a proposal to approve a Special Resolution that the Second Amended and Restated Memorandum of Association (the “**Second M&AA**”) annexed hereto as Annex A which incorporate the Increase of the Authorized Share Capital Proposal and the Staggered Board Proposal, be and is hereby approved and adopted in substitution for the existing Second M&AA of the Company.

Approval of the Increase of the Authorized Share Capital Proposal and the Staggered Board Proposal are independent of each other. Approval of the Amendment of Memorandum and Articles of Association is contingent on and limited by both of the other Proposals; if the Increase of the Authorized Share Capital Proposal is approved and the Staggered Board Proposal is not approved, then the Amendment of Memorandum and Articles of Association Proposal would only be approved to increase share capital in the Memorandum and Articles of Association.

These items of business are described in the attached proxy statement, which we encourage you to read in its entirety before voting. Only holders of record of the Company’s ordinary shares at the close of business on November 12, 2021 are entitled to notice of the Extraordinary General Meeting and to vote and have their votes counted at the Extraordinary General Meeting and any adjournments or postponements of the Extraordinary General Meeting.

The approval of Increase of the Authorized Share Capital Proposal requires that a majority of the votes cast at the Extraordinary General Meeting be voted “For” the proposal, provided we have quorum for the meeting.

The approval of the Staggered Board Proposal and the Amendment of Memorandum and Articles of Association Proposal requires that two-thirds of the votes cast at the Extraordinary General Meeting be voted “For” the proposals, provided we have quorum for the meeting.

Abstentions will count for purposes of determining quorum but will have no effect on the outcome of the vote because abstentions do not count as votes cast.

After careful consideration, the Company's board of directors has determined that the Increase of the Authorized Share Capital Proposal, the Staggered Board Proposal, and the Amendment of Memorandum and Articles of Association Proposal are fair to and in the best interests of the Company and its stockholders and unanimously recommends that you vote or give instruction to vote:

- “FOR” the Increase of the Authorized Share Capital Proposal;
- “FOR” the Staggered Board Proposal; and
- “FOR” the Amendment of Memorandum and Articles of Association Proposal.

### **YOUR VOTE IS IMPORTANT**

WHETHER OR NOT YOU EXPECT TO ATTEND THE EXTRAORDINARY GENERAL MEETING IN PERSON, WE ENCOURAGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) BY TELEPHONE, (2) THROUGH THE INTERNET OR (3) BY MARKING, SIGNING AND DATING THE ENCLOSED PROXY CARD AND RETURNING IT IN THE POSTAGE-PAID ENVELOPE PROVIDED. You may revoke your proxy or change your vote at any time before the Extraordinary General Meeting. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished to you by such bank, broker or other nominee, which is considered the shareholder of record, in order to vote. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. Your broker or other agent cannot vote on these proposals.

If you fail to return your proxy card, grant your proxy electronically over the Internet, or by telephone, or vote by ballot in person at the Extraordinary General Meeting, your shares will not be counted for purposes of determining whether a quorum is present at the Extraordinary General Meeting. If you are a shareholder of record, voting in person by ballot at the Extraordinary General Meeting will revoke any proxy that you previously submitted. If you hold your shares through a bank, broker or other nominee, you must obtain from the record holder a valid “legal” proxy issued in your name in order to vote in person at the Extraordinary General Meeting.

Thank you for your participation. We look forward to your continued support.

By Order of the Board of Directors,

**Farmmi, Inc.**

By: /s/ Yefang Zhang

Name: Yefang Zhang

Title: Chairwoman of the Board

Date: November 15, 2021

## TABLE OF CONTENTS

QUESTIONS AND ANSWERS ABOUT THE PROPOSALS .....	1
FORWARD-LOOKING STATEMENTS .....	4
THE EXTRAORDINARY GENERAL MEETING .....	5
PROPOSAL 1: INCREASE OF THE AUTHORIZED SHARE CAPITAL PROPOSAL .....	8
PROPOSAL 2: STAGGERED BOARD PROPOSAL .....	8
PROPOSAL 3: AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION PROPOSAL .....	8
OTHER MATTERS .....	9
EXPERTS .....	
WHERE YOU CAN FIND MORE INFORMATION .....	9
MISCELLANEOUS .....	9
Annex A: Second Amended and Restated Memorandum of Association. ....	10

## QUESTIONS AND ANSWERS ABOUT THE PROPOSALS

*The following are answers to some questions that you, as a shareholder of Farmmi, Inc. (“Farmmi” or the “Company”), may have regarding the Agreement and related matters being considered at Farmmi’s extraordinary general meeting, which is referred to herein as the “Extraordinary General Meeting”.*

**Q: Why am I receiving this proxy statement?**

A: The board of directors of Farmmi is soliciting your proxy to vote at the Extraordinary General Meeting because you owned Farmmi ordinary shares at the close of business on November 12, 2021, the “**Record Date**” for the Extraordinary General Meeting, and are therefore entitled to vote at the Extraordinary General Meeting. This proxy statement, along with a proxy card or a voting instruction card, is being mailed to shareholders on or about November 19, 2021. Farmmi has made these materials available to you on the Internet, and Farmmi has delivered printed proxy materials to you or sent them to you by email. This proxy statement summarizes the information that you need to know in order to cast your vote at the Extraordinary General Meeting. You do not need to attend the Extraordinary General Meeting in person to vote your Farmmi ordinary shares.

**Q: When and where will the Extraordinary General Meeting be held?**

A: The Extraordinary General Meeting will be held on December 20, 2021 at 10:00 A.M., Beijing time (9:00 P.M. ET on December 19, 2021), at Room 1803, 18F, Dikai Ginza, 29 Jiefang East Road, Jianggan District, Hangzhou City, Zhejiang Province 310016, People’s Republic of China.

**Q: On what matters will I be voting?**

- A: (1) **Increase of the Authorized Share Capital Proposal:** a proposal to approve an Ordinary Resolution that the authorized share capital of the Company be increased from US\$600,000 divided into 600,000,000 ordinary shares of par value \$0.001 to US\$6,000,000 divided into 6,000,000,000 ordinary shares of par value \$0.001 by the creation of 5,400,000,000 new ordinary shares of par value \$0.001.
- (2) **Staggered Board Proposal:** a proposal to approve a Special Resolution that the Board of Directors be divided into three (3) classes as equal number as practicable, each serving staggered terms of three (3) years each.
- (3) **Amendment of Memorandum and Articles of Association Proposal:** a proposal to approve a Special Resolution that the Second Amended and Restated Memorandum of Association (the “Second M&AA”) annexed hereto as Annex A which incorporate the Increase of the Authorized Share Capital Proposal and a staggered board structure, be and is hereby approved and adopted in substitution for the existing Second M&AA of the Compan..

**Shareholders are encouraged to vote as soon as possible after carefully reviewing this proxy statement. If Farmmi shareholders fail to adopt each step proposed, the transaction cannot be completed.**

**Q: What happens if I sell my shares after the Record Date, but before the Extraordinary General Meeting?**

A: The Record Date is earlier than the date of the Extraordinary General Meeting. If you transfer your shares of the Company after the Record Date but before the Extraordinary General Meeting, you will retain your right to vote at the Extraordinary General Meeting, but will transfer ownership of the shares and will not hold an interest in the Company with respect to such shares after the transaction is completed.

**Q: How does Farmmi’s board of directors recommend that I vote?**

A: The Farmmi board of directors recommends that Farmmi shareholders vote or give instruction to vote:

“FOR” the Increase of the Authorized Share Capital Proposal;

“FOR” the Staggered Board Proposal; and

“FOR” the Amendment of Memorandum and Articles of Association Proposal.

**Q: How do I vote?**

A: After you have carefully read this proxy statement and have decided how you wish to vote your Farmmi ordinary shares, please vote promptly.

If you are a registered shareholder, meaning that you hold your shares in certificate form, you have four voting options:

- (1) By Internet, which we encourage if you have Internet access, at [www.transhare.com](http://www.transhare.com), the address shown on your proxy card;
- (2) By fax, by faxing your signed proxy card to 1.727. 269.5616;
- (3) By mail, by completing, signing and returning the enclosed proxy card; or
- (4) By email, by completing, signing and scanning the enclosed proxy card to Anna Kotlova at [akotlova@bizsolaconsulting.com](mailto:akotlova@bizsolaconsulting.com)

If you hold your shares through an account with a bank or broker, your ability to vote by the Internet depends on their voting procedures. Please follow the directions that your bank or broker provides.

For a discussion of the rules regarding the voting of shares held by beneficial owners, please see the question below entitled “If I am a beneficial owner of Farmmi ordinary shares, what happens if I don’t provide voting instructions? What is discretionary voting? What is a broker non-vote?”

**Q: What vote is required to approve each proposal?**

A: The approval of Increase of the Authorized Share Capital Proposal requires that a majority of the votes cast at the Extraordinary General Meeting be voted “For” the proposal.

The approval of the Staggered Board Proposal and the Amendment of Memorandum and Articles of Association Proposal requires that two-thirds of the votes cast at the Extraordinary General Meeting be voted “For” the proposals, provided we have quorum for the meeting.

Abstentions and broker non-votes will count for purposes of determining quorum but will have no effect on the outcome of the vote because abstentions and broker non-votes do not count as votes cast.

**Q: How many votes do I and others have?**

A: Holders of ordinary shares are entitled to one vote for each share of Farmmi ordinary shares held as of the Record Date. As of the close of business on the Record Date, there were 282,665,906 outstanding Farmmi ordinary shares,

**Q: How will our directors and executive officers vote on the Increase of the Authorized Share Capital Proposal and the Amendment of Memorandum and Articles of Association Proposal?**

A: As of the Record Date, the directors and executive officers of Farmmi as a group owned and were entitled to vote 9,500,000 outstanding ordinary shares of the Company, representing 3.4% of the ordinary shares of Farmmi on that date. Farmmi expects that its directors and executive officers will vote their shares in favor of the Increase of the Authorized Share Capital Proposal, the Staggered Board Proposal, and the Amendment of Memorandum and Articles of Association Proposal

**Q: What will happen if I fail to vote or I abstain from voting?**

A: If you fail to vote, your shares will not be counted for purposes of determining quorum or for purposes of the voting results. If you choose to appear for purposes of quorum but to abstain from voting, your shares will counted for purposes of determining whether we have quorum sufficient to hold the meeting but will not be counted for purposes of the voting results. For this reason, if we have quorum, a failure to vote and an abstention would both be disregarded at the meeting, but a failure to vote could result in the Extraordinary General Meeting not reaching quorum, while an abstention would help us achieve quorum.

**Q: How many shares must be present to hold the Extraordinary General Meeting?**

**A:** The presence in person or by proxy of shareholders holding not less than an aggregate of one-third in nominal value of the total issued voting shares in the Company is necessary to constitute a quorum at the Extraordinary General Meeting. The inspector of election will determine whether a quorum is present. If you are a beneficial owner (as defined above) of the Company's ordinary shares and you do not instruct your bank, broker or other nominee how to vote your shares on any of the proposals, your shares will not be counted as present at the Extraordinary General Meeting for purposes of determining whether a quorum exists. Votes of shareholders of record who are present at the Extraordinary General Meeting in person or by proxy will be counted as present at the Extraordinary General Meeting for purposes of determining whether a quorum exists, whether or not such holder abstains from voting on all of the proposals.

**Q: If I am a beneficial owner of Farmmi ordinary shares, what happens if I don't provide voting instructions? What is discretionary voting? What is a broker non-vote?**

**A:** If you are a registered shareholder and do not provide a proxy, you must attend the shareholder meeting in order to vote your shares. We encourage all shareholders to appear in person or by proxy to ensure that quorum for the meeting exists so that the Proposal can be considered.

**Q: What will happen if I return my proxy card without indicating how to vote?**

**A:** Proxy cards that are signed and returned but do not contain instructions will be voted in favor of Proposals 1, 2, and 3 in accordance with the best judgment of the named proxies on any other matters properly brought before the meeting.

**Q: Can I change my vote after I have returned a proxy or voting instruction card?**

**A:** You may change your vote at any time before the polls close at the conclusion of voting at the meeting. You may do this by (1) signing another proxy card with a later date and returning it to us by mail before the meeting, (2) voting again over the Internet prior to the time of the meeting, (3) voting again by email or fax prior to the time of the meeting, or (4) voting at the meeting if you are a registered shareholder or have followed the necessary procedures required by your bank or broker.

**Q: Do I need identification to attend the Extraordinary General Meeting in person?**

**A:** Yes. Please bring proper identification, together with proof that you are a record owner of Farmmi ordinary shares. If your shares are held in street name, please bring acceptable proof of ownership, such as a letter from your broker or an account statement stating or showing that you beneficially owned Farmmi ordinary shares on the record date. Acceptable proof of ownership is either (a) a letter from your broker stating that you beneficially owned Farmmi stock on the Record Date or (b) an account statement showing that you beneficially owned Farmmi stock on the Record Date.

## **FORWARD-LOOKING STATEMENTS**

This proxy statement, including information incorporated by reference into this proxy statement, contains forward-looking statements regarding, among other things, Farmmi's plans, strategies and prospects, both business and financial. Although Farmmi believes that its plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, Farmmi cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions including, without limitation, the factors described under "*Risk Factors*" from time to time in Farmmi's filings with the SEC. Many of the forward-looking statements contained in this presentation may be identified by the use of forward-looking words such as "believe", "expect", "anticipate", "should", "planned", "will", "may", "intend", "estimated", "aim", "on track", "target", "opportunity", "tentative", "positioning", "designed", "create", "predict", "project", "seek", "would", "could", "continue", "ongoing", "upside", "increases" and "potential", among others. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this presentation are set forth in other reports or documents that we file from time to time with the SEC, and include, but are not limited to:

- the ability to maintain the listing of Farmmi's ordinary shares on NASDAQ following the shareholder meeting;
- changes adversely affecting the business in which the Company is engaged;
- management of growth;
- general economic conditions;
- the Company's business strategy and plans;
- the result of future financing efforts; and
- and the other factors summarized under the section entitled "*Risk Factors*".

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement. All forward-looking statements included herein attributable to any of Farmmi or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable laws and regulations, Farmmi has no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement or to reflect the occurrence of unanticipated events.

Before a stockholder grants its proxy or instructs how its vote should be cast regarding the Increase of the Authorized Share Capital Proposal, the Staggered Board Proposal, and the Amendment of Memorandum and Articles of Association Proposal, they should be aware that the occurrence of the events described in the "*Risk Factors*" section and elsewhere in this proxy statement may adversely affect Farmmi.



## THE EXTRAORDINARY GENERAL MEETING

### **Date, Time and Place of the Extraordinary General Meeting**

The Extraordinary General Meeting will be held on December 20, 2021, at 10:00 A.M., Beijing time ( 9:00 P.M. ET on December 19, 2021) at Room 1803, 18F, Dikai Ginza, 29 Jiefang East Road, Jianggan District, Hangzhou City, Zhejiang Province 310016, People's Republic of China to consider and vote upon the proposals.

### **Purpose of the Extraordinary General Meeting**

At the Extraordinary General Meeting, Farmmi is asking its shareholders as of the record date of November 12, 2021 (the “**Record Date**”) to consider and vote upon:

- (1) **Increase of the Authorized Share Capital Proposal:** a proposal to approve an Ordinary Resolution that the authorized share capital of the Company be increased from US\$600,000 divided into 600,000,000 ordinary shares of par value \$0.001 to US\$6,000,000 divided into 6,000,000,000 ordinary shares of par value \$0.001 by the creation of 5,400,000,000 new ordinary shares of par value \$0.001.
- (2) **Staggered Board Proposal:** a proposal to approve a Special Resolution that the Board of Directors be divided into three (3) classes as equal number as practicable, each serving staggered terms of three (3) years each.
- (2) **Amendment of Memorandum and Articles of Association Proposal:** a proposal to approve a Special Resolution that the Second Amended and Restated Memorandum of Association (the “Second M&AA”) annexed hereto as Annex A which incorporate the Increase of the Authorized Share Capital Proposal and the Staggered Board Proposal, be and is hereby approved and adopted in substitution for the existing Second M&AA of the Company.

### **Record Date; Shares Entitled to Vote; Quorum**

Shareholders will be entitled to vote or direct votes to be cast at the Extraordinary General Meeting if they owned Farmmi ordinary shares on the Record Date. Shareholders will have one vote for each share of Farmmi ordinary shares owned at the close of business on the Record Date. If your shares are held in “street name” or are in a margin or similar account, you should contact your broker to ensure that votes related to the shares you beneficially own are properly counted.

As of the close of business on the Record Date, there were 282,665,906 outstanding Farmmi ordinary shares, and our directors and officers beneficially own 3.4% of the ordinary shares on the Record Date.

A quorum of Farmmi shareholders is necessary to hold a valid meeting. The presence in person or by proxy of shareholders holding not less than an aggregate of one-third in nominal value of the total issued voting shares in the Company is necessary to constitute a quorum at the Extraordinary General Meeting. Abstentions will count as present for the purposes of establishing a quorum but will be disregarded for purposes of determining the results of voting.

### **Vote Required; Abstentions and Broker Non-Votes**

The approval of Increase of the Authorized Share Capital Proposal requires that a majority of the votes cast at the Extraordinary General Meeting be voted “For” the proposal, provided we have quorum for the meeting.

The approval of the Staggered Board Proposal and the Amendment of Memorandum and Articles of Association Proposal requires that two-thirds of the votes cast at the Extraordinary General Meeting be voted “For” the proposals, provided we have quorum for the meeting.

Abstentions will count for purposes of determining quorum but will have no effect on the outcome of the vote because abstentions do not count as votes cast.

## **Voting of Proxies**

If your shares are registered in your name with our transfer agent, TranShare Corporation, you may cause your shares to be voted by returning a signed proxy card, or you may vote in person at the Extraordinary General Meeting. Additionally, you may submit electronically over the Internet or by phone a proxy authorizing the voting of your shares by following the instructions on your proxy card. You must have the enclosed proxy card available, and follow the instructions on the proxy card, in order to submit a proxy electronically over the Internet or by telephone. Based on your proxy cards or Internet and telephone proxies, the proxy holders will vote your shares according to your directions.

If you plan to attend the Extraordinary General Meeting and wish to vote in person, you will be given a ballot at the meeting. If your shares are registered in your name, you are encouraged to vote by proxy even if you plan to attend the Extraordinary General Meeting in person. If you attend the Extraordinary General Meeting and vote in person, your vote by ballot will revoke any proxy previously submitted.

Voting instructions are included on your proxy card. All shares represented by properly executed proxies received in time for the Extraordinary General Meeting will be voted at the Extraordinary General Meeting in accordance with the instructions of the shareholder.

If your shares are held in “street name” through a broker, bank or other nominee, you may vote through your broker, bank or other nominee by completing and returning the voting form provided by your broker, bank or other nominee, or by the Internet or telephone through your broker, bank or other nominee if such a service is provided. To vote via the Internet or telephone through your broker, bank or other nominee, you should follow the instructions on the voting form provided by your broker, bank or other nominee. If you do not return your bank’s, broker’s or other nominee’s voting form, do not vote via the Internet or telephone through your broker, bank or other nominee, if possible, or do not attend the Extraordinary General Meeting and vote in person with a proxy from your broker, bank or other nominee, it will have the same effect as if you voted “**AGAINST**”.

## **Revocability of Proxies**

If you are a shareholder of record, you may change your vote or revoke your proxy at any time before it is voted at the Extraordinary General Meeting by:

- Submitting a new proxy electronically over the Internet or by telephone after the date of the earlier submitted proxy;
- Signing another proxy card with a later date and returning it to us prior to the Extraordinary General Meeting; or
- Attending the Extraordinary General Meeting and voting in person.

Please note that to be effective, your new proxy card, internet or telephonic voting instructions or written notice of revocation must be received by us prior to the Extraordinary General Meeting and, in the case of internet or telephonic voting instructions, must be received before 8:00 P.M. Eastern time on December 19, 2021. If you have submitted a proxy, your appearance at the Extraordinary General Meeting, in the absence of voting in person or submitting an additional proxy or revocation, will not have the effect of revoking your prior proxy.

If you hold your ordinary shares in “street name,” you should contact your bank, broker or other nominee for instructions regarding how to change your vote. You may also vote in person at the Extraordinary General Meeting if you obtain a valid “legal” proxy from your bank, broker or other nominee. Any adjournment, recess or postponement of the Extraordinary General Meeting for the purpose of soliciting additional proxies will allow Farmmi shareholders who have already sent in their proxies to revoke them at any time prior to their use at the Extraordinary General Meeting as adjourned, recessed or postponed.

## **Board of Directors’ Recommendation**

After careful consideration, the Company’s board of directors has determined that the transaction is fair to, and in the best interest of, the Company and its shareholders. They unanimously recommend that you vote or give instruction to vote:

“FOR” the Increase of the Authorized Share Capital Proposal;  
“FOR” the Staggered Board Proposal; and  
“FOR” the Amendment of Memorandum and Articles of Association Proposal.

### **Solicitation of Proxies**

The expense of soliciting proxies in the enclosed form will be borne by Farmmi. Proxies may also be solicited by some of our directors, officers and employees, personally or by telephone, facsimile, email or other means of communication. No additional compensation will be paid for such services.

### **Other Matters**

At this time, we know of no other matters to be submitted at the Extraordinary General Meeting.

### **Householding of Extraordinary General Meeting Materials**

Unless we have received contrary instructions, we may send a single copy of this proxy statement and notice to any household at which two or more shareholders reside if we believe the shareholders are members of the same family. Each shareholder in the household will continue to receive a separate proxy card. This process, known as “house holding”, reduces the volume of duplicate information received at your household and helps to reduce our expenses.

### **Who Can Answer Your Questions About Voting Your Shares?**

If you are a shareholder and have any questions about how to vote or direct a vote in respect of your Farmmi ordinary shares, you may submit questions via email to [akotlova@bizsolaconsulting.com](mailto:akotlova@bizsolaconsulting.com).

## **PROPOSAL 1: INCREASE OF AUTHORIZED SHARE CAPITAL**

### **Proposed Increase in Share Capital**

On October 31, 2021, the Board of the Company approved, and directed that there be submitted to the shareholders of the Company for approval, the proposed increase of Company's authorized share capital, from US\$600,000 divided into 600,000,000 ordinary shares of par value \$0.001 to US\$6,000,000 divided into 6,000,000,000 ordinary shares of par value \$0.001 by the creation of 5,400,000,000 new ordinary shares of par value \$0.001.

### **Potential Adverse Effects of the Increase**

The availability of additional Common Shares for issuance could, under certain circumstances, discourage or make more difficult any efforts to obtain control of the Company. The Board is not aware of any attempt, or contemplated attempt, to acquire control of the Company, nor is this proposal being presented with the intent that it be used to prevent or discourage any acquisition attempt. However, nothing would prevent the Board from taking any such actions that it deems to be consistent with its fiduciary duties. In addition, having additional authorized shares will permit us to raise capital, potentially diluting existing shareholders.

### **Required Vote**

The approval of Increase of the Authorized Share Capital Proposal requires that a majority of the votes cast at the Extraordinary General Meeting be voted "For" the proposal, provided we have quorum for the meeting.

**THE Farmmi BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT Farmmi SHAREHOLDERS VOTE "FOR" THE APPROVAL OF THE INCREASE OF AUTHORIZED SHARE CAPITAL PROPOSAL.**

## **PROPOSAL 2: THE STAGGERED BOARD PROPOSAL**

On October 31, 2021, the Board of the Company approved, and directed that there be submitted to the shareholders of the Company for approval, a proposal to approve a Special Resolution that the Board of Director be divided into three (3) classes as equal in number as practicable, each serving staggered terms of three (3) years each.

### **Required Vote**

The approval of the Staggered Board Proposal requires that two-thirds of the votes cast at the Extraordinary General Meeting be voted "For" the proposal, provided we have quorum for the meeting.

### **Potential Adverse Effects of the Staggered Board Proposal**

Our Board currently consists of five directors, each serving a one-year term. Under a staggered board structure, the directors are divided into three classes, as nearly equal in number as the then total number of directors permits. After the board is staggered, directors of each class are chosen for three-year terms upon the expiration of their current terms, and each year the shareholders elect one class of directors. A staggered board structure may reduce the possibility of a tender offer or an attempt at a change in control, even though a tender offer or change in control might be in the best interest of our shareholders.

## **PROPOSAL 3: AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION PROPOSAL**

On October 31, 2021, the Board of the Company approved, and directed that there be submitted to the shareholders of the Company for approval, a proposal to approve a Special Resolution that the Second Amended and Restated Memorandum of Association (the "Second M&AA") annexed hereto as Annex A which incorporate the Increase of the Authorized Share Capital Proposal and a staggered board structure, be and is hereby approved and adopted in substitution for the existing Second M&AA of the Company.

## **Required Vote**

The approval of the Amendment of Memorandum and Articles of Association Proposal requires that two-thirds of the votes cast at the Extraordinary General Meeting be voted “For” the proposal, provided we have quorum for the meeting.

**THE FARMMI BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT Farmmi SHAREHOLDERS VOTE “FOR” THE APPROVAL OF THE AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION PROPOSAL.**

## **OTHER MATTERS**

As of the date of this proxy statement, the board of directors of Farmmi knows of no matters that will be presented for consideration at the Extraordinary General Meeting other than as described in this proxy statement. If any other matters properly come before the Extraordinary General Meeting or any adjournments or postponements of the meeting and are voted upon, the enclosed proxy will confer discretionary authority on the individuals named as proxy to vote the shares represented by the proxy as to any other matters. The individuals named as proxies intend to vote in accordance with their best judgment as to any other matters.

## **WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the information requirements of the Exchange Act. In accordance with these requirements, the Company files reports and other information with the SEC. You may read and copy any materials filed with the SEC at the Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site at <http://www.sec.gov> that contains reports and other information regarding registrants that file electronically with the SEC.

## **MISCELLANEOUS**

You should rely only on the information contained in this proxy statement, the annexes to this proxy statement and the documents we refer to in this proxy statement to vote on the Increase of the Authorized Share Capital Proposal, the Staggered Board Proposal, and the Amendment of Memorandum and Articles of Association Proposal. We have not authorized anyone to provide you with information that is different from what is contained in this proxy statement. This proxy statement is dated November 15, 2021. You should not assume that the information contained in this proxy statement is accurate as of any date other than that date (or as of an earlier date if so indicated in this proxy statement) and the mailing of this proxy statement to stockholders does not create any implication to the contrary. This proxy statement does not constitute a solicitation of a proxy in any jurisdiction where, or to or from any person to whom, it is unlawful to make a proxy solicitation.



1. The name of the Company is **Farmmi, Inc.**
2. The registered office of the Company shall be situated at the office of Tricor Services (Cayman Islands) Limited, Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands or at such other place in the Cayman Islands as the directors may at any time decide.
3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act (as revised).
4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27 (2) of the Companies Act (as revised).
5. Nothing in the preceding paragraphs shall be deemed to permit the Company to carry on the business of a bank or trust company without being licensed in that behalf under the provisions of the Banks and Trust Companies Act (as revised), or to carry on insurance business from within the Cayman Islands or the business of an insurance manager, agent, sub-agent or broker without being licensed in that behalf under the provisions of the Insurance Law (as revised), or to carry on the business of company management without being licensed in that behalf under the Companies Management Act (as revised).
6. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands, but nothing in this paragraph shall be so construed as to prevent the Company effecting and concluding contracts in the Cayman Islands and exercising in the Cayman Islands any of its power necessary for the carrying on of its business outside the Cayman Islands.
7. The liability of each Member is limited to the amount, if any, unpaid on such Member's shares.
8. The share capital of the Company is US\$6,000,000 divided into 6,000,000,000 ordinary shares of US\$0.001 par value each with power for the Company, subject to the provisions of the Companies Act (as revised) and the Articles of Association, to redeem or purchase any of its shares and to subdivide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide, every issue of shares, whether stated to be ordinary, preference or otherwise, shall be subject to the powers on the part of the Company hereinbefore provided.
9. The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
10. Capitalised terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.





“Equity Securities”	shares and any securities convertible into or exchangeable or exercisable for shares;
“Exchange Act”	the Securities Exchange Act of 1934, as amended;
“executed”	means any mode of execution;
“holder”	in relation to any share, the Member whose name is entered in the Register of Members as the holder of the share;
“Indemnified Person”	means every Director, alternate Director, Secretary or other officer for the time being or from time to time of the Company;
“Independent Directors”	means a Director who is an independent director as defined in any Designated Stock Exchange Rules or in Rule 10A-3 under the Exchange Act, as the case may be;
“Islands”	the British Overseas Territory of the Cayman Islands;
“Law”	the Companies Act (as revised);
“Member”	has the same meaning as in the Law;
“Memorandum”	the memorandum of association of the Company as from time to time amended;
“month”	a calendar month;
“Nominating and Corporate Governance Committee”	the nominating and corporate governance committee of the Company formed by the Board pursuant to Article 102 hereof, or any successor of the nominating and corporate governance committee;
“officer”	includes a Director or a Secretary;
“Ordinary Resolution”	a resolution (i) of a duly constituted general meeting of the Company passed by a simple majority of the votes cast by, or on behalf of, the Members entitled to vote present in person or by proxy and voting at the meeting or (ii) approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;
“Other Indemnitors”	means persons or entities other than the Company that may provide indemnification, advancement of expenses and/or insurance to the Indemnified Persons in connection with such Indemnified Persons involvement in the management of the Company;
“paid up”	means paid up as to the par value and any premium payable in respect of the issue of any shares and includes credited as paid up;
“Person”	any individual, corporation, general or limited partnership, limited liability company, joint stock company, joint venture, estate, trust, association, organization or any other entity or governmental entity;
“Register of Members”	the register of Members required to be kept pursuant to the Law;
“Seal”	the common seal of the Company including every duplicate seal;
“SEC”	the United States Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;
“Secretary”	any person appointed by the Directors to perform any of the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
“Securities Act”	means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time;
“share”	a share in the share capital of the Company, and includes stock (except where

- a distinction between shares and stock is expressed or implied) and includes a fraction of a share;
- “signed” includes an electronic signature or a representation of a signature affixed by mechanical means;
- “Special Resolution” a resolution (i) which has been passed by a majority of not less than two-thirds (or, in respect of any resolution to approve any amendments to any provisions of these Articles that relate to or have an impact upon the procedures regarding the election, appointment, removal of Directors and/or the size of the Board, by two-thirds) of such Members as, being entitled to do so, vote in person or by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given or (ii) approved in writing by all of the Members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Members and the effective date of the Special Resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed;
- “subsidiary” a company is a subsidiary of another company if that other company:
- (i) holds a majority of the voting rights in it;
  - (ii) is a member of it and has the right to appoint or remove a majority of its board of directors; or
  - (iii) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it; or
  - (iv) is a subsidiary of a company which is itself a subsidiary of that other company. For the purpose of this definition the expression “company” includes any body corporate established in or outside of the Islands;
- “Transfer” with respect to any Equity Securities of the Company, any sale, assignment, Lien, hypothecation, pledge, conveyance in trust, gift, transfer by bequest, devise or descent, or other transfer or disposition of any kind, including, but not limited to, transfers pursuant to divorce or legal separation, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary, involuntarily or by operation of law, directly or indirectly (including the Transfer of a controlling interest in any entity the assets of which consist at least in part of Equity Securities). “transferor” and “transferee” have meanings corresponding to the foregoing;
- “Treasury Share” means a Share held in the name of the Company as a treasury share in accordance with the Law;
- “U.S. Person” means a Director who is citizen or resident of the United States of America;
- “written” and “in writing” includes all modes of representing or reproducing words in visible form including in the form of an electronic record;
- (b) unless the context otherwise requires, words or expressions defined in the law shall have the same meanings herein but excluding any statutory modification thereof not in force when these Articles become binding on the Company;
- (c) unless the context otherwise requires:
- (i) words importing the singular number shall include the plural number and vice-versa;
  - (ii) words importing the masculine gender only shall include the feminine gender; and
  - (iii) words importing persons only shall include companies or associations or bodies of person whether incorporated or not;

- (d) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- (e) the headings herein are for convenience only and shall not affect the construction of these Articles;
- (f) references to statutes are, unless otherwise specified, references to statutes of the Islands and, subject to paragraph (b) above, include any statutory modification or re-enactment thereof for the time being in force; and
- (g) where an Ordinary Resolution is expressed to be required for any purpose, a Special Resolution is also effective for that purpose.

#### **Commencement of Business**

- 3. The business of the Company may be commenced as soon after incorporation as the Directors shall see fit, notwithstanding that only some of the shares may have been allotted.
- 4. The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company including the expenses of registration.

#### **Situation of offices of the Company**

- 5. (a) The registered office of the Company shall be at such address in the Islands as the Directors shall from time to time determine.
- (b) The Company, in addition to its registered office, may establish and maintain such other offices, places of business and agencies in the Islands and elsewhere as the Directors may from time to time determine.

#### **Shares**

- 6. (a) Subject to the rules of any Designated Stock Exchange and to the provisions, if any, in the Memorandum and these Articles, the Directors have general and unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued shares in the capital of the Company without the approval of holders of Shares (whether forming part of the original or any increased share capital), either at a premium or at par, with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, on such terms and conditions, and at such times as the Directors may decide, but so that no share shall be issued at a discount, except in accordance with the provisions of the Law. In particular and without prejudice to the generality of the foregoing, the Board is hereby empowered to authorize by resolution or resolutions from time to time and without the approval of holders of Shares the issuance of one or more classes or series of preferred Shares, to cause to be issued such preferred shares and to fix the designations, powers, preferences and relative, participating, optional and other rights, if any, and the qualifications, limitations and restrictions thereof, if any, including, without limitation, the number of shares constituting each such class or series, dividend rights, conversion rights, redemption privileges, voting powers, full or limited or no voting powers, and liquidation preferences, and to increase or decrease the size of any such class or series (but not below the number of Shares of any class or series of preferred Shares then outstanding) to the extent permitted by Law. Without limiting the generality of the foregoing, the resolution or resolutions providing for the establishment of any class or series of preferred shares may, to the extent permitted by law, provide that such class or series shall be superior to, rank equally with or be junior to the preferred Shares of any other class or series.
- (b) The Company shall not issue shares or warrants to bearer.
- (c) Subject to the rules of any Designated Stock Exchange, the Directors have general and unconditional authority to issue warrants or convertible securities of similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any class of shares or securities in the capital of the Company to such persons, on such terms and conditions, and at such times as the Directors may decide.

- (d) The Company may issue fractions of a share of any class and a fraction of a share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contribution, calls or otherwise howsoever), limitations, preferences, privileges, qualifications, restrictions, rights and other attributes of a whole share of that class of shares.
7. The Company may, in so far as the Law permits, pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the capital of the Company. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid up shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage fees as may be lawful.
8. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share (except only as by these Articles or by law otherwise provided) or any other rights in respect of any share except an absolute right to the entirety thereof in the holder.
9. (a) If at any time the share capital is divided into different classes of shares, the rights attached to any class of shares (unless otherwise provided by these Articles or the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of two-thirds of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be any one or more persons holding or representing by proxy not less than one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll;
- (b) The rights conferred upon the holders of the shares of any class shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
10. The Directors may accept contributions to the capital of the Company otherwise than in consideration of the issue of shares and the amount of any such contribution shall, unless otherwise agreed at the time of such contribution is made, be treated as share premium and shall be subject to the provisions of the Law and these Articles applicable to share premium.

#### **Share Certificates**

11. A Member shall only be entitled to a share certificate if the Directors resolve that share certificates shall be issued. Share certificates representing Shares, if any, shall be in such form as the Directors may determine. Share certificates shall be signed by one or more Directors or other person authorised by the Directors. The Directors may authorise certificates to be issued with the authorised signature(s) affixed by mechanical process. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All certificates surrendered to the Company for transfer shall be cancelled and subject to the Articles and no new certificate shall be issued until the former certificate representing a like number of relevant Shares shall have been surrendered and cancelled.
12. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.
13. If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the Directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery to the Company of the old certificate.

#### **Lien**

14. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all

moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount in respect of it.

15. The Company may sell in such manner as the Directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen (14) clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
16. To give effect to a sale the Directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity or invalidity in the proceedings in reference to the sale.
17. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

#### **Calls on shares and Forfeiture**

18. Subject to the terms of allotment, the Directors may make calls upon the Members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each Member shall (subject to receiving at least fourteen (14) clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by installments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or in part and payment of a call may be postponed in whole or in part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
19. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.
21. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at an annual rate of ten percent (10%) but the Directors may waive payment of the interest wholly or in part.
22. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an installment of a call, shall be deemed to be a call, and if it is not paid when due all the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.
23. Subject to the terms of allotment, the Directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.
24. If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than fourteen (14) clear days' notice requiring payment of the amount unpaid, together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
25. If the notice is not complied with any share in respect of which it was given may, before the payment is required by the notice has been made, be forfeited by a resolution of the Directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

26. Subject to the provisions of the Law, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine either to the person who was before the forfeiture the holder or to any other person, and at any time before a sale, re-allotment or other disposition, the forfeiture may be canceled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the Directors may authorize any person to execute an instrument of transfer of the share to that person.
27. A person any of whose shares have been forfeited shall cease to be a Member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at an annual rate of ten percent (10%) from the date of forfeiture until payment but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
28. A statutory declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

#### **Transfer of Shares**

29. Subject to these Articles, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in a form prescribed by any Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a Clearing House, by hand or by electronic machine imprinted signature or by such other manner of execution as the Board may approve from time to time.
30. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. Without prejudice to Article 29, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof. Nothing in these Articles shall preclude the Board from recognizing a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.
31. (1) The Board may, in its absolute discretion, and without giving any reason therefore, refuse to register a transfer of any share that is not a fully paid up share to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share to more than four joint holders or a transfer of any share that is not a fully paid up share on which the Company has a lien.  
  
(2) The Board may, in its absolute discretion, and without giving any reason therefore, determine that the Company shall maintain one or more branch registers of Members in accordance with the Law. The Board may also, in its absolute discretion, and without giving any reason therefore, determine which register of Members shall constitute the principal register and which shall constitute the branch register or registers, and to vary such determination from time to time.
32. Without limiting the generality of Article 31, the Board may decline to recognise any instrument of transfer unless:
  - (a) a fee of such maximum sum as any Designated Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof;

- (b) the instrument of transfer is in respect of only one class of shares;
  - (c) the Shares are fully paid and free of any lien;
  - (d) the instrument of transfer is lodged at the registered office or such other place at which the Register of Members is kept in accordance with the accompanied by any relevant share certificate(s) and/or such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
  - (e) if applicable, the instrument of transfer is duly and properly stamped.
33. If the Directors refuse to register a transfer of a share, they shall within one month after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
34. The registration of transfers of shares or of any class of shares may, after compliance with any notice requirement of any Designated Stock Exchange, be suspended and the Register of Members be closed at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.
35. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

#### **Transmission of Shares**

36. If a Member dies the survivor, or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders shall be the only persons recognised by the Company as having any title to his interest; but nothing in the Articles shall release the estate of a deceased Member from any liability in respect of any share which had been jointly held by him.
37. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as the Directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the Member and the death or bankruptcy of the Member had not occurred.
38. A person becoming entitled to a share by reason of the death or bankruptcy of a Member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

#### **Changes of Capital**

39. (a) Subject to and in so far as permitted by the provisions of the Law, the Company may from time to time by Ordinary Resolution alter or amend the Memorandum to:
- (i) increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe;
  - (ii) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
  - (iii) convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination;
  - (iv) sub-divide its existing shares, or any of them, into shares of smaller amounts than is fixed by the Memorandum; and

- (v) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
  - (b) Except so far as otherwise provided by the conditions of issue, the new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.
40. Whenever as a result of a consolidation of shares any Members would become entitled to fractions of a share, the Directors may, on behalf of those Members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Law, the Company) and distribute the net proceeds of sale in due proportion among those Members, and the Directors may authorize some person to execute an instrument of transfer of the shares to, or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
41. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner and with, and subject to, any incident, consent, order or other matter required by law.

#### **Redemption and Purchase of Own Shares**

42. Subject to the provisions of the Law and these Articles, the Company may:
- (a) issue shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Member on such terms and in such manner as the Directors may, before the issue of shares, determine;
  - (b) purchase its own shares (including any redeemable shares) in such manner and on such terms as the Directors may determine and agree with the relevant Member; and
  - (c) make a payment in respect of the redemption or purchase of its own shares in any manner authorised by the Law, including out of capital.
43. The Directors may, when making a payment in respect of the redemption or purchase of shares, if so authorized by the terms of issue of the shares (or otherwise by agreement with the holder of such shares) make such payment in cash or in specie (or partly in one and partly in the other).
44. Upon the date of redemption or purchase of a share, the holder shall cease to be entitled to any rights in respect thereof (excepting always the right to receive (i) the price therefore and (ii) any dividend which had been declared in respect thereof prior to such redemption or purchase being effected) and accordingly his name shall be removed from the Register of Members with respect thereto and the share shall be cancelled.

#### **Treasury Shares**

45. The Directors may, prior to the purchase, redemption or surrender of any Share, determine that such Share shall be held as a Treasury Share.
46. The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).

#### **Register of Members**

47. The Company shall maintain or cause to be maintained an overseas or local Register of Members in accordance with the Law.
48. The Directors may determine that the Company shall maintain one or more branch registers of Members in accordance with the Law. The Directors may also determine which register of Members



shall constitute the principal register and which shall constitute the branch register or registers, and to vary such determination from time to time.

#### **Closing Register of Members or Fixing Record Date**

49. For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend or other distribution, or in order to make a determination of Members for any other purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period which shall not in any case exceed forty (40) clear days. If the Register shall be so closed for the purpose of determining those Members that are entitled to receive notice of, attend or vote at a meeting of Members, the Register shall be so closed for at least ten (10) clear days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register.
50. In lieu of, or apart from, closing the Register of Members, the Directors may fix in advance or arrears a date as the record date for any such determination of Members entitled to notice of, or to vote at any meeting of the Members or any adjournment thereof, or for the purpose of determining the Members entitled to receive payment of any dividend or other distribution, or in order to make a determination of Members for any other purpose.
51. If the Register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of, or to vote at, a meeting of Members or Members entitled to receive payment of a dividend or other distribution, the date on which notice of the meeting is sent or posted or the date on which the resolution of the Directors resolving to pay such dividend or other distribution is passed, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Article, such determination shall apply to any adjournment thereof.

#### **General Meetings**

52. All general meetings other than annual general meetings shall be called extraordinary general meetings and the Company shall specify the meeting as such in the notices calling it.
53. An annual general meeting of the Company shall be held in each year (other than the year in which these Articles were adopted) at such time as determined by the Board and the Company may, but shall not (unless required by the Law) be obliged to, in each year hold any other general meeting. The agenda of the annual general meeting shall include the adoption of the Company's annual accounts, the appropriation of the Company's profits among other items included in the agenda by the Board.
54. At these meetings the report of the Directors (if any) shall be presented and they can take place in any other the Directors may decide.
55. The Directors may, whenever they think fit, convene an extraordinary general meeting of the Company, and they shall on a Members' requisition in accordance with the Articles forthwith proceed to convene an extraordinary general meeting of the Company.
56. A Members' requisition is a requisition of Members holding at the date of deposit of the requisition not less than two-thirds, in par value of the issued shares which as at that date carry the right to vote at general meetings of the Company.
57. The Members' requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office, and may consist of several documents in like form each signed by one or more requisitionists.
58. If there are no Directors as at the date of the deposit of the Members' requisition or if the Directors do not within twenty-one days from the date of the deposit of the Members' requisition duly proceed to convene a general meeting to be held within a further twenty-one days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of the requisitionists, may

themselves convene a general meeting, but any meeting so convened shall be held no later than the day which falls three months after the expiration of the said twenty-one day period.

59. A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.
60. Notwithstanding any other provision of the Articles, the Members who requisition a meeting:
  - a) May propose only Ordinary Resolutions to be considered and voted upon at such meeting; and
  - b) Shall have no right to propose any resolutions with respect to the election, appointment or removal of Directors or with respect to the size of the Board of Directors.
61. Save as set out in Articles 52 to 60, the Members have no right to propose resolutions to be considered or voted upon at annual general meetings or extraordinary general meetings of the Company.

#### **Notice of General Meetings**

62. At least ten (10) clear days' notice specifying the place, the day and the hour of each general meeting and the general nature of such business to be transacted thereat shall be given in the manner hereinafter provided, or in such other manner (if any) as may be prescribed by Ordinary Resolution, to such persons as are entitled to vote or may otherwise be entitled under these Articles to receive such notices from the Company; provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of the Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:
  - (a) in the case of an annual general meeting, by all of the Members entitled to attend and vote thereat; and
  - (b) in the case of an extraordinary general meeting, by a majority in number of the Members having a right to attend and vote at the meeting, together holding not less than 95%, in par value of the Shares giving that right.
63. The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that general meeting.

#### **Proceedings at General Meetings**

64. No business shall be transacted at any meeting unless a quorum is present at the time when the meeting proceeds to business. Members holding not less than an aggregate of one-third in nominal value of the total issued voting shares in the Company entitled to vote upon the business to be transacted, shall be a quorum.
65. Members may participate in a general meeting at which no special resolutions are proposed by means of conference telephone or other electronic means by which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.
66. If a quorum is not present within half an hour from the time appointed for the meeting to commence or if during such a meeting a quorum ceases to be present, the meeting, if convened upon a Members' requisition, shall be dissolved and in any other case it shall stand adjourned and shall reconvene on the same day in the next week at the same time and/or place or to such other day, time and/or place as the Directors may determine, and if at the reconvened meeting a quorum is not present within half an hour from the time appointed for the meeting to commence, the Members present shall be a quorum.
67. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, participation in any general meeting of the Company may be by means of a telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

68. The chairman of the board of Directors or in his absence some other Director nominated by the Directors shall preside as chairman of the meeting, but if neither the chairman nor such other Director (if any) is present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be chairman and, if there is only one Director present and willing to act, he shall be chairman. If no Director is willing to act as chairman, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present in person or by proxy and entitled to vote shall choose one of their number to be chairman.
69. The order of business at each such meeting shall be as determined by the chairman of the meeting. The chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts and things as are necessary or desirable for the proper conduct of the meeting, including, without limitation, the establishment of procedures for the maintenance of order and safety, limitations on the time allotted to questions or comments on the affairs of the Company, restrictions on entry to such meeting after the time prescribed for the commencement thereof, and the opening and closing of the polls. The chairman of the meeting shall announce at each such meeting the date and time of the opening and the closing of the polls for each matter upon which the Members will vote at such meeting.
70. A Director shall, notwithstanding that he is not a Member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
71. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven (7) clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
72. At each meeting of the Members, all corporate actions, including the election of Directors, to be taken by vote of the Members (except as otherwise required by applicable law and except as otherwise provided in these Articles) shall be authorised by Ordinary Resolution. Where a separate vote by a class or classes or series is required, the affirmative vote of the majority of Shares of such class or classes or series present in person or represented by proxy at the meeting shall be the act of such class or series (unless provided otherwise in the resolutions providing for the issuance of such series).
73. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll.
74. A poll shall be taken in such manner as the chairman directs and he may appoint scrutineers (who need not be Members) and fix a place and time for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
75. In the case of equality of votes, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
76. Any action required or permitted to be taken at any annual or extraordinary general meetings of the Company may be taken only upon the vote of the Members at an annual or extraordinary general meeting duly noticed and convened in accordance with these Articles and the Law and may not be taken by written resolution of the Members.
77. If for so long as the Company has only one Member:
  - (a) in relation to a general meeting, the sole Member or a proxy for that Member or (if the Member is a corporation) a duly authorized representative of that Member is a quorum and Article 64 is modified accordingly;
  - (b) the sole Member may agree that any general meeting be called by shorter notice than that provided for by the Articles; and

- (c) all other provisions of the Articles apply with any necessary modification (unless the provision expressly provides otherwise).

### **Votes of Members**

78. Subject to any rights or restrictions attached to any shares, every Member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorized representative not being himself a Member entitled to vote, shall have one vote, and on a poll every Member and every person representing a Member by proxy shall have one vote for every share of which he is the holder.
79. In the case of joint holders, the vote of the senior joint holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the Register of Members.
80. A Member in respect of whom an order has been made by any court having jurisdiction (whether in the Islands or elsewhere) in matters concerning mental disorder may vote, by his receiver, *curator bonis* or other person authorized in that behalf appointed by that court, and any such receiver, *curator bonis* or other person may vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be received at the registered office of the Company, or at such other place as is specified in accordance with the Articles for the deposit or delivery of forms of appointment of a proxy, or in any other manner specified in the Articles for the appointment of a proxy, not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
81. No Member shall, unless the Directors otherwise determine, be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
82. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
83. Votes may be given either personally or by proxy. Deposit or delivery of a form of appointment of a proxy does not preclude a Member from attending and voting at the meeting or at any adjournment of it.
84. A Member entitled to more than one vote need not, if he votes, use all his votes or cast all votes he uses the same way.
85. Subject as set out herein, an instrument appointing a proxy shall be in writing in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the appointor save that, subject to the Law, the Directors may accept the appointment of a proxy received in an electronic communication at an address specified for such purpose, on such terms and subject to such conditions as they consider fit. The Directors may require the production of any evidence which they consider necessary to determine the validity of any appointment pursuant to this Article.
86. The form of appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:
- (a) in the case of an instrument in writing, be left at or sent by post to the registered office of the Company or such other place within the Islands as is specified in the notice convening the meeting or in any form of appointment of proxy sent out by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote;
  - (b) in the case of an appointment of a proxy contained in an electronic communication, where an address has been specified by or on behalf of the Company for the purpose of receiving electronic communications:

- (i) in the notice convening the meeting; or
- (ii) in any form of appointment of a proxy sent out by the Company in relation to the meeting;  
or
- (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting;

be received at such address at any time before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote;

- (c) in the case of a poll taken more than forty-eight hours after it is demanded, be deposited or delivered as required by paragraphs (a) or (b) of this Article after the poll has been demanded and at any time before the time appointed for the taking of the poll; or
  - (d) where the poll is taken immediately but is taken not more than forty-eight hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any Director; and a form of appointment of proxy which is not deposited or delivered in accordance with this Article is invalid.
87. Any corporation or other non-natural person which is a Member of the Company may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member.
88. A vote or poll demanded by proxy or by the duly authorized representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the registered office of the Company or, in the case of a proxy, any other place specified for delivery or receipt of the form of appointment of proxy or, where the appointment of a proxy was contained in an electronic communication, at the address at which the form of appointment was received, before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

#### **Number of Directors**

89. The Board shall consist of such number of Directors as a majority of the Directors then in office may determine from time to time, provided that, unless otherwise determined by the Members in a general meeting acting by Special Resolution, the Board shall consist of not less than five (5) Directors, and subject always to the rights (if any) of the holders of preferred shares (if any) to elect additional directors under specified circumstances.
90. The Board of Directors shall have a chairman of the Board of Directors elected and appointed by a majority of the Directors then in office. The Directors may also elect a vice-chairman of the Board of Directors. The period for which the chairman and the vice-chairman shall hold office shall also be determined by a majority of all of the Directors then in office. The chairman of the Board of Directors shall preside as chairman at every meeting of the Board of Directors. To the extent the chairman of the Board of Directors is not present at a meeting of the Board of Directors, the vice-chairman of the Board of Directors (if any), or in his absence, the attending Directors may choose one Director to be the chairman of the meeting. Observed Article 122 below, the chairman of the Board of Directors' voting rights as to the matters to be decided by the Board of Directors shall be the same as other Directors.
91. The Board may, from time to time, and except as required by applicable law or the listing rules of any Designated Stock Exchange, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.

### **Alternate Directors**

92. Any Director (but not an alternate Director) may by writing appoint any other Director, or any other person willing to act, to be an alternate Director and by writing may remove from office an alternate Director so appointed by him.
93. An alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at every such meeting at which the Director appointing him is not personally present, to sign any written resolution of the Directors, and generally to perform all the functions of his appointor as a Director in his absence.
94. An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.
95. Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
96. Subject to the provisions of the Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him.

### **Proxy Directors**

97. (a) A Director but not an alternate Director may be represented at any meetings of the Board of Directors by a proxy appointed by him in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director.
- (b) The provisions of Articles 82 to 87 shall *mutatis mutandis* apply to the appointment of proxies by Directors.

Any person appointed as a proxy pursuant to paragraph (a) above shall be the agent of the Director, and not an officer of the Company.

### **Powers of Directors**

98. Subject to the provisions of the Law, the Memorandum and the Articles, and to any directions given by Ordinary Resolution and the listing rules of any Designated Stock Exchange, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Directors by the Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
99. The Board may exercise all the powers of the Company to raise capital or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Law, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

### **Delegation of Directors' Powers**

100. Subject to these Articles, the Directors may from time to time appoint any Person, whether or not a director of the Company, to hold such office in the Company as the Directors may think necessary for the administration of the Company, including without prejudice to the foregoing generality, the office of the chief executive officer, chief operating officer and chief financial officer, one or more vice presidents, managers or controllers, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit.
101. The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the

Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

102. Subject to applicable law and the listing rules of any Designated Stock Exchange, the Directors may delegate any of their powers to any committee (including, without limitation, an Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee), consisting of one or more Directors. They may also delegate to any managing Director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more Members shall be governed by the provisions of the Articles regulating the proceedings of Directors so far as they are capable of applying. Where a provision of the Articles refers to the exercise of a power, authority or discretion by the Directors and that power, authority or discretion has been delegated by the Directors to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.
103. The Board may establish an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee and, if such committees are established, it shall adopt formal written charters for such committees and review and assess the adequacy of such formal written charters on an annual basis. Each of these committees shall be empowered to do all things necessary to exercise the rights of such committee set forth in these Articles and shall have such powers as the Board may delegate pursuant to Article 101. Each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee, if established, shall consist of such number of directors as the Board shall from time to time determine (or such minimum number as may be required from time to time by any Designated Stock Exchange). For so long as any class of Shares are listed on a Designated Stock Exchange, the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall be made up of such number of Independent Directors as required from time to time by any Designated Stock Exchange Rules or otherwise required by applicable law.

#### **Appointment, Disqualification and Removal of Directors**

104. The first directors shall be appointed in writing by the subscriber or subscribers to the Memorandum.
105. The Directors shall be divided into three (3) classes, as equal number as practicable, each serving staggered terms of three (3) years each. Each Director shall serve staggered terms of three (3) years each until his successor is duly elected or appointed or his earlier resignation or removal, notwithstanding any agreement between the Company and such Director. Directors are eligible for re- election.
106. Subject to Article 111, any vacancies on the Board arising other than upon the expiry of a Director's term at an annual general meeting can be filled only by the affirmative vote of a simple majority of the remaining Directors holding office (notwithstanding that the remaining Directors may constitute less than a quorum) appointing an interim Director to fill such vacancy until the next annual general meeting of Shareholders. Additions to the existing Board can be filled only by the affirmative vote of a simple majority of the remaining Directors holding office (notwithstanding that the remaining Directors may constitute less than a quorum).
107. Members do not have the right to nominate, elect or remove Directors, or to fill any Board vacancies arising other than upon the expiry of a Director's term at an annual general meeting pursuant to Article 103.
108. There is no age limit for Directors of the Company.
109. No shareholding qualification shall be required for a Director. A Director who is not a Member shall nevertheless be entitled to receive notice of and to attend and speak at general meetings of the Company.
110. The Board must at all times comply with the residency and citizenship requirements of U.S. securities laws applicable to foreign private issuers and shall at no time have a majority of Directors who are U.S. Persons. Notwithstanding any other provision in these Articles, no appointment or election of a U.S.

Person as a Director shall be permitted if such appointment or election would have the effect of creating a majority of Directors who are U.S. Persons, and any such appointment or election shall be disregarded for all purposes.

111. The office of a Director shall be vacated if:
- (a) he becomes prohibited by law from being a Director;
  - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (c) he dies, or is, in the opinion of all his co-Directors, incapable by reason of mental disorder of discharging his duties as Director;
  - (d) he resigned his office by notice to the Company;
  - (e) he has for more than six months been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated;
112. In the event of a vacancy, a replacement Director shall be nominated by a simple majority of the remaining Directors holding office, or if a Nominating and Corporate Governance Committee has been established, by such committee, upon which the remaining Directors holding office may elect and appoint any such nominee as an interim Director pursuant to Article 105.

#### **Remuneration of Directors**

113. The Directors shall be entitled to such remuneration as the Board may determine and, unless otherwise determined, the remuneration shall be deemed to accrue from day to day. If established, the Compensation Committee will assist the Board in reviewing and approving compensation decisions.
114. A Director who, at the request of the Directors, goes or resides outside of the Islands, makes a special journey or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the Directors may decide.

#### **Directors' Expenses**

115. The Directors may be paid all traveling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

#### **Directors' Appointments and Interests**

116. The Directors may appoint one or more of their body to the office of managing Director or to any other executive office under the Company, and the Company may enter into an agreement or arrangement with any Director for his/her employment, subject to applicable law and any listing rules of the SEC or any Designated Stock Exchange, or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for his services as they think fit. Any appointment of a Director to an executive office shall terminate automatically if he ceases to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Company.
117. Subject to the Law and listing rules of any Designated Stock Exchange, if he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - (b) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement



with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and

- (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

118. For the purposes of the preceding Article:

- (a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

119. A Director must disclose any material interest pursuant to the Articles, and such Director may not vote at any meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty. The Director shall be counted in the quorum present at a meeting when any such resolution is under consideration and such resolution may be passed by a majority of the disinterested Directors present at the meeting even if such disinterested Directors together constitute less than a quorum.

120. Notwithstanding the foregoing, no “Independent Director” as defined in the rules of any Designated Stock Exchange or in Rule 10A-3 under the Exchange Act, and with respect of whom the Board has determined constitutes an “Independent Director” for purposes of compliance with applicable law or the Company’s listing requirements, shall without the consent of the Audit Committee take any of the foregoing actions or any other action that would reasonably be likely to affect such Director’s status as an “Independent Director” of the Company.

#### **Directors’ Gratuities and Pensions**

121. The Directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any existing Director or any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

#### **Proceedings of Directors**

122. The quorum for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be equal to a majority of the Directors then holding office if there are two or more Directors, and shall be one if there is only one Director. A person who holds office as an alternate Director shall, if his appointor is not present, be counted in the quorum. A Director who also acts as an alternate Director shall, if his appointor is not present, count twice towards the quorum.

123. Subject to the provisions of the Articles, the Directors may regulate their proceedings as they determine is appropriate. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A Director who is also an alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

124. Meetings of the Directors shall be held at least once every calendar quarter and shall take place either in China or in the United States or elsewhere previously agreed among the Directors. A person may participate in a meeting of the Directors or any committee of Directors by conference telephone or

other communications equipment by means of which all the persons participating in the meeting can communicate with each other at the same time. Participation by a person in a meeting in this manner is treated as presence in person at that meeting and is counted in a quorum and entitled to vote.

125. A resolution in writing (in one or more counterparts) signed by all the Directors or all the members of a committee of the Directors (an alternate Director being entitled to sign such a resolution on behalf of his appointor and if such alternate Director is also a Director, being entitled to sign such resolution both on behalf of his appointor and in his capacity as a Director) shall be as valid and effectual as if it had been passed at a meeting of the Directors, or committee of Directors as the case may be, duly convened and held.
126. A Director or alternate Director may, or other officer of the Company on the direction of a Director or alternate Director shall, call a meeting of the Directors by at least five (5) clear days' notice in writing to every Director and alternate Director which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors (or their alternates) either at, before or after the meeting is held. To any such notice of a meeting of the Directors all the provisions of the Articles relating to the giving of notices by the Company to the Members shall apply *mutatis mutandis*.
127. The continuing Directors (or a sole continuing Director, as the case may be) may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of increasing the number of Directors to be equal to such fixed number, or of summoning a general meeting of the Company, but for no other purpose.
128. The Directors may elect a chairman of their board and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within thirty minutes after the time appointed for the meeting to commence, the Directors present may choose one of their number to be chairman of the meeting.
129. All acts done by any meeting of the Directors or of a committee of the Directors (including any person acting as an alternate Director) shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or alternate Director, and/or that they or any of them were disqualified, and/or had vacated their office and/or were not entitled to vote, be as valid as if every such person had been duly appointed and/or not disqualified to be a Director or alternate Director and/or had not vacated their office and/or had been entitled to vote, as the case may be.
130. A Director who is present at a meeting of the Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Company immediately after the conclusion of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

#### **Secretary and other officers**

131. The Directors may by resolution appoint a Secretary and may by resolution also appoint such other officers as may from time to time be required upon such terms as the duration of office, remuneration and otherwise as they may think fit. Such Secretary or other officers need not be Directors and in the case of the other officers may be ascribed such titles as the Directors may decide. The Directors may by resolution remove any Secretary or other officer appointed pursuant to this Article.

#### **Minutes**

132. The Directors shall cause minutes to be made in books kept for the purposes of recording:
  - (a) all appointments of officers made by the Directors; and
  - (b) all resolutions and proceedings of meetings of the Company, of the holders of any class of shares

in the Company, and of the Directors, and of committees of Directors, including the names of the Directors present at each such meeting.

#### **Seal**

133. (a) The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the Seal is affixed, and unless otherwise so determined every such instrument shall be signed by a Director and by the Secretary or by a second Director.
- (b) The Company may have for use in any place or places outside the Islands a duplicate Seal or Seals, each of which shall be a reproduction of the Seal of the Company and, if the Directors so determine, shall have added on its face the name of every place where it is to be used.
- (c) The Directors may by resolution determine (i) that any signature required by this Article need not be manual, but may be affixed by some other method or system of reproduction or mechanical or electronic signature and/or; (ii) that any document may bear a printed reproduction of the Seal in lieu of affixing the Seal thereto.
- (d) No document or deed otherwise duly executed and delivered by or on behalf of the Company shall be regarded as invalid merely because at the date of the delivery of the deed or document, the Director, Secretary or other officer or person who shall have executed the same or affixed the Seal thereto, as the case may be, for and on behalf of the Company shall have ceased to hold such office and authority on behalf of the Company.

#### **Dividends**

134. Subject to the provisions of the Law, the Company may by Ordinary Resolution declare dividends (including interim dividends) in accordance with the respective rights of the Members, but no dividend shall exceed the amount recommended by the Directors.
135. Subject to the provisions of the Law, the Directors may declare dividends in accordance with the respective rights of the Members and authorize payment of the same out of the funds of the Company lawfully available therefore. If at any time the share capital is divided into different classes of shares the Directors may pay dividends on shares which confer deferred or non-preferred rights with regard to dividends as well as on shares which confer preferential rights with regard to dividends, but no dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears that there are sufficient funds of the Company lawfully available for distribution to justify the payment. Provided the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of a dividend on any shares having deferred or non-preferred rights.
136. The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares in the capital of the Company) as the Directors may from time to time think fit.
137. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be paid in proportion to the number of shares a Member holds during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

138. The Directors may deduct from a dividend or other amounts payable to a person in respect of a share any amounts due from him to the Company on account of a call or otherwise in relation to a share.
139. Any Ordinary Resolution, or Directors' resolution declaring a dividend may direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to such distribution, the Directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any Member upon the footing of the value so fixed in order to adjust the rights of Members and may vest any assets in trustees.
140. Any dividend or other moneys payable on or in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the Register of Members or to such person and to such address as the person or persons entitled may in writing direct. Subject to any applicable law or regulations, every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.
141. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.
142. Any dividend which has remained unclaimed for six years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

#### **Accounting Records and Audit**

143. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors. The books of account shall be kept at the registered office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
144. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by applicable law, listing rules of any Designated Stock Exchange, or authorized by the Directors or by Ordinary Resolution.
145. Subject to Article 143, a printed copy of the Directors' report, accompanied by the consolidated statements of financial position, profit or loss, comprehensive income (loss), cash flows and changes in shareholders' equity, including every document required by the Law to be annexed thereto, made up to the end of the applicable financial year, shall be sent to each person entitled thereto at least ten (10) days before the date of the general meeting and laid before the Company at the annual general meeting held in accordance with Article 53 provided that this Article 144 shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares.
146. The requirement to send to a person referred to in Article 144 the documents referred to in that Article shall be deemed satisfied where, in accordance with all applicable laws, rules and regulations, including, without limitation, the rules of any Designated Stock Exchange, the Company publishes copies of the documents referred to in Article 144 on the Company's Web-sites, transmits it to SEC's website or in any other permitted manner (including by sending any other form of electronic communication), and that person has agreed or is deemed by the Company to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.
147. Respected Article 147 below, subject to the applicable law and rules of any Designated Stock Exchange,

the accounts relating to the Company's affairs shall be audited in such manner as may be determined from time to time by the Company by Ordinary Resolution or failing any such determination by the Directors or failing any determination as aforesaid shall not be audited.

148. The Audit Committee (or in the absence of such an Audit Committee, the Board) shall appoint an auditor of the Company who shall hold office until removed from office by a resolution of the Audit Committee (or the Board, as applicable) and shall fix his or their remuneration.
149. Every auditor of the Company shall have a right of access at all times to the books and accounts of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

#### **Capitalisation of Profits**

150. The Directors may:
- (a) subject as provided in this Article, resolve to capitalize any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
  - (b) appropriate the sum resolved to be capitalised to the Members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, and allot the shares or debentures credited as fully paid to those Members, or as they may direct, in those proportions, or partly in one way and partly in the other;
  - (c) resolve that any shares so allotted to any Member in respect of a holding by him of any partly-paid shares rank for dividend, so long as such shares remain partly paid, only to the extent that such partly paid shares rank for dividend;
  - (d) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this Article in fractions; and
  - (e) authorize any person to enter on behalf of all the Members concerned into an agreement with the Company providing for the allotment of them respectively, credited as fully paid, of any shares or debentures to which they may be entitled upon such capitalization, any agreement made under such authority being binding on all such Members.

#### **Share Premium Account**

151. The Directors shall in accordance with Section 34 of the Law establish a share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share or capital contributed as described in Article 10.
152. There shall be debited to any share premium account:
- (a) on the redemption or purchase of a share the difference between the nominal value of such share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by Section 37 of the Law, out of capital; and
  - (b) any other amounts paid out of any share premium account as permitted by Section 34 of the Law.

#### **Notices**

153. Except as otherwise provided in these Articles, and subject to the rules of any Designated Stock

Exchanges, any notice or document may be served by the Company or by the Person entitled to give notice to any Member either personally, or by posting it airmail or air courier service in a prepaid letter addressed to such Member at his address as appearing in the Register, or by electronic mail to any electronic mail address such Member may have specified in writing for the purpose of such service of notices, or by advertisement in appropriate newspapers in accordance with the requirements of any Designated Stock Exchange, or by facsimile or by placing it on the Company's Website. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

154. Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail.

155. Any notice or other document, if served by:

- (a) post, shall be deemed to have been served five days after the time when the letter containing the same is posted;
- (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
- (c) recognized courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service;
- (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail; or
- (e) placing it on the Company's Website, shall be deemed to have been served one (1) hour after the notice or document is placed on the Company's Website.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

156. A Member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting, and, where requisite, of the purpose for which it was called.

157. Any notice or document delivered or sent by post to or left at the registered address of any Member in accordance with the terms of these Articles shall notwithstanding that such Member be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Member as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

158. Notice of every general meeting of the Company shall be given to:

- (a) all Members holding Shares with the right to receive notice and who have supplied to the Company an address, facsimile number or email address for the giving of notices to them; and
- (b) every Person entitled to a Share in consequence of the death or bankruptcy of a Member, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

### **Winding Up**

159. If the Company is wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide among the Members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall

be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Members as he with the like sanction determines, but no Member shall be compelled to accept any assets upon which there is a liability.

160. If the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst the Members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

### Indemnity

161. (a) Every Indemnified Person for the time being and from time to time of the Company and the personal representatives of the same shall be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages, liabilities, judgments, fines, settlements and other amounts (including reasonable attorneys' fees and expenses and amounts paid in settlement and costs of investigation (collectively "Losses") incurred or sustained by him otherwise than by reason of his own dishonesty in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any Losses incurred by him in defending or investigating (whether successfully or otherwise) any civil, criminal, investigative and administrative proceedings concerning or in any way related to the Company or its affairs in any court whether in the Islands or elsewhere. Such Losses incurred in defending or investigating any such proceeding shall be paid by the Company as they are incurred upon receipt, in each case, of an undertaking by or on behalf of the Indemnified Person to repay such amounts if it is ultimately determined by a non-appealable order of a court of competent jurisdiction that such Indemnified Person is not entitled to indemnification hereunder with respect thereto. However, the Company will not indemnify its directors, officers, or persons controlling it for liabilities arising under the Securities Act, because it is the SEC's opinion that such indemnification is against public policy as expressed in such act and is, therefore, unenforceable.
- (b) No such Indemnified Person of the Company and the personal representatives of the same shall be liable (i) for the acts, receipts, neglects, defaults or omissions of any other Director or officer or agent of the Company or (ii) by reason of his having joined in any receipt for money not received by him personally or in any other act to which he was not a direct party for conformity or (iii) for any loss on account of defect of title to any property of the Company or (iv) on account of the insufficiency of any security in or upon which any money of the Company shall be invested or (v) for any loss incurred through any bank, broker or other agent or any other party with whom any of the Company's property may be deposited or (vi) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities or discretions of his office or in relation thereto or (vii) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Person's part, unless he has acted dishonestly, with willful default or through fraud.
- (c) The Company hereby acknowledges that certain Indemnified Persons may have certain rights to indemnification, advancement of expenses and/or insurance from or against (other than directors' and officers' or similar insurance obtained or maintained by or on behalf of the Company or any of its subsidiaries, including any such insurance obtained or maintained pursuant to Article 161 hereof) the Other Indemnitors. The Company hereby agrees (i) that it is the indemnitor of first resort (*i.e.*, its obligations to an Indemnified Person are primary and any obligation of the Other Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities

incurred by such Indemnified Person are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by an Indemnified Person and shall be liable for the full amount of all Losses to the extent legally permitted and as required by the terms of these Articles (or any other agreement between the Company and an Indemnified Person), without regard to any rights an Indemnified Person may have against the Other Indemnitors, and (iii) that it irrevocably waives, relinquishes and releases the Other Indemnitors from any and all claims against the Other Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Other Indemnitors on behalf of an Indemnified Person with respect to any claim for which such Indemnified Person has sought indemnification from the Company shall affect the foregoing and respected Article 164 below, the Other Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Indemnified Person against the Company. For the avoidance of doubt, no Person or entity providing Directors' or officers' or similar insurance obtained or maintained by or on behalf of the Company or any of its subsidiaries, including any Person providing such insurance obtained or maintained pursuant to Article 161 hereof shall be an Other Indemnitor.

162. The Directors may exercise all the power of the Company to purchase and maintain insurance for the benefit of a Person who is or was (whether or not the Company would have the power to indemnify such Person against such liability under the provisions of Article 160 or under applicable law):
- (a) a Director, alternate Director, Secretary or auditor of the Company or of a company which is or was a subsidiary undertaking of the Company or in which the Company has or had an interest (whether direct or indirect); or
  - (b) the trustee of a retirement benefits scheme or other trust in which a person referred to in the preceding paragraph is or has been interested,
- indemnifying him against any liability which may lawfully be insured against by the Company.

#### **Financial Year**

163. Unless the Directors otherwise prescribe, the financial year of the Company shall end on 30th September in each year and, following the year of incorporation, shall begin on 1st October each year.

#### **Amendment of Memorandum and Articles**

164. (a) Subject to the Law, the Company may by Special Resolution change its name or change the provisions of the Memorandum with respect to its objects, powers or any other matter specified therein.
- (b) Subject to the Law and as provided in these Articles, the Company may at any time and from time to time by Special Resolution, alter or amend these Articles in whole or in part.

#### **Claims Against the Company**

165. Notwithstanding Article 160(c), unless otherwise determined by a majority of the Board, in the event that (i) any Member (the "Claiming Party") initiates or asserts any claim or counterclaim ("Claim") or joins, offers substantial assistance to or has a direct financial interest in any Claim against the Company and (ii) the Claiming Party (or the third party that received substantial assistance from the Claiming Party or in whose Claim the Claiming Party had a direct financial interest) does not obtain a judgment on the merits in which the Claiming Party prevails, then each Claiming Party shall, to the fullest extent permissible by law, be obligated jointly and severally to reimburse the Company for all fees, costs and expenses (including, but not limited to, all reasonable attorneys' fees and other litigation expenses) that the Company may incur in connection with such Claim.

#### **Transfer by way of Continuation**

166. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction



outside the Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

#### **Information**

167. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the Members of the Company to communicate to the public.

**Important Notice Regarding the Availability of Proxy Materials for the Extraordinary General Meeting:** The Notice & Proxy Statement and the Annual Report are available at <http://ir.farmmi.com.cn/>.

**FARMMI, INC.**  
**Extraordinary General Meeting of Shareholders**  
**December 20, 2021**  
**10:00 A.M., Beijing Time**  
**( 9:00 P.M., Eastern Time, on December 19, 2021)**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF  
DIRECTORS OF FARMMI, INC.**

The undersigned shareholder(s) of Farmmi, Inc. (the "Company"), hereby appoint(s) Yefang Zhang as proxy, with full power of substitution, on behalf and in the name of the undersigned, to represent the undersigned at the annual meeting of shareholders of the Company to be held on December 20, 2021, at 10:00 A.M., Beijing Time (December 19, 2021, at 9:00 P.M., Eastern Time), at Room 1803, 18F, Dikai Ginza, 29 Jiefang East Road, Jianggan District, Hangzhou City, Zhejiang Province 310016, People's Republic of China, and to vote all ordinary shares which the undersigned would be entitled to vote if then and there personally present, on the matters set forth below (i) as specified by the undersigned below and (ii) in the discretion of the proxy upon such other business as may properly come before the meeting, all as set forth in the notice of annual meeting and in the proxy statement furnished herewith.

**THIS PROXY CARD, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED. IF NO DIRECTION IS MADE BUT THE CARD IS SIGNED, THIS PROXY CARD WILL BE VOTED "FOR" ALL OF THE PROPOSALS.**

**Continued and to be signed on reverse side**

**FARMMI, INC.**

**VOTE BY INTERNET**

**[www.transshare.com](http://www.transshare.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 8:00 P.M. ET December 19, 2021. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please provide your email address below and check here to indicate you consent to receive or access proxy materials electronically in future years.

Email Address: \_\_\_\_\_

**VOTE BY EMAIL:**

Please email your signed proxy card to Anna Kotlova at [akotlova@bizsolaconsulting.com](mailto:akotlova@bizsolaconsulting.com).

**VOTE BY FAX**

Please fax your signed proxy card to 1.727.269.5616.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Anna Kotlova, Transshare Corporation, Bayside Center 1, 17755 US Highway 19 N, Suite 140, Clearwater FL 33764.

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TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**The Board of Directors recommend voting FOR the nominees and FOR Proposals 1 through 3.**

	FOR	AGAINST	ABSTAIN
1. Special Resolution THAT the authorized share capital of the Company be increased from US\$600,000 divided into 600,000,000 ordinary shares of par value \$0.001 to US\$6,000,000 divided into 6,000,000,000 ordinary shares of par value \$0.001 by the creation of 5,400,000,000 new ordinary shares of par value \$0.001.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Special Resolution THAT the Board of Directors be divided into three (3) classes as equal number as practicable, each serving staggered terms of three (3) years each.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Special Resolution THAT the Second Amended and Restated Memorandum of Association (the "Second M&AA") annexed to the proxy statement which incorporate the Increase of the Authorized Share Capital Proposal and the Staggered Board Proposal, be and is hereby approved and adopted in substitution for the existing Second M&AA of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Date (mm/dd/yyyy) – Please write date below.

Signature 1 – Please keep signature within the box.

Signature 2 – Please keep signature within the box. (Joint Owner)